Mr. SPEAKER.—Would the Hon'ble Leader of the Opposition let me know whether he has read it from the Statute, or let me know where this mandate is from. Or is it a commentary? I was closely following the Hon'ble Leader of the Opposition. But I do not know wherefrom he has read the text. Has he added his own words to the article of the Constitution the right of precedence? The right of precedence is not provided for in the Statute.

Sri S. SHIVAPPA.—I want to know what were the compelling reasons for the Leader of the House......

Mr. SPEAKER.—I was just making myself certain whether the reading of the article by the Leader of the Opposition was perfectly alright and whether there was some lacuna in the copy I was holding. The Governor's Address is entitled to the greatest precedence and entitled to be debated upon for the purpose of policy enunciated in the Governor's Address. there is also the other point. The Supplementary Demands have to be passed. There is no possibility of these being delayed. Therefore this has been given the priority. Certainly it will not embarass the Hon'ble Members. It is my duty to see that they will have the fullest scope for such discussion.

Sri S. R. KANTHI.—When the Motion of Thanks comes before the House, no other business can be taken.

PAPERS LAID ON THE TABLE.

Sri S. R. KANTHI (Chief Minister).—Sir, I beg to lay:

A statement of Supplementary Estimates (second instalment) as required under article 205(1) of the Constitution of India.

ಶ್ರೀ ಎಸ್. ಗೋಪಾಲಗೌಡ.—ಮಾನ್ಯ ಅಧ್ಯಕ್ಷರೇ ನಾನು ಮೊದಲನೇ ದಿವಸವೇ ತಮ್ಮಲ್ಲ ಪ್ರಾರ್ಥನೆ ಮಾಡಿಕೊಂಡೆ, ಅದೇನೆಂದರೆ, ಸಾಧ್ಯವಾದ ಮಟ್ಟಿಗೂ ತಾವು, ಮುಖ್ಯ ಮಂತ್ರಿಗಳು ಮತ್ತು ಈ ಸಭೆಯ ಮಾನ್ಯ ಸದಸ್ಯರುಗಳೆಲ್ಲರೂ ಕನ್ನಡದಲ್ಲಿಯೇ ಮಾತನಾಡ ಬೇಕು ಎಂದು.

ಶ್ರೀ ಎಸ್. ಶಿವಪ್ಪ._ಕರ್ಣಾಟಕ ರಾಜ್ಯದ ಆಯವ್ಯಯದ ಅಂದಾಜು ಪಟ್ಟಿಯನ್ನು ಈ ನಭೆಯ ಮುಂದಿಡುವಾಗ ಅದನ್ನು ಮಾನ್ಯ ಮುಖ್ಯ ಮಂತ್ರಿಗಳು ಕನ್ನಡದಲ್ಲಿ ಓದಿದರೆ ಚೆನ್ನಾಗಿರುತ್ತದೆ.

ಶ್ರೀ ಎಸ್. ಆರ್. ಕಂಠಿ.—ಪ್ರಿಂಟಿಂಗ್ ಪ್ರೆಸ್ಟಿಗೆ ಎರಡು ನಲ ಫೋನ್ ಮಾಡಿದ್ದೆವು. ಕನ್ನಡ ಪ್ರತಿಯು ವೇಳೆಗೆ ನರಿಯಾಗಿ ಪ್ರಿಂಟ್ ಆಗಲಲ್ಲ. ಅದು ಇಷ್ಟ ರಲ್ಲಿಯೇ ಬರುತ್ತದೆ.

್ಶ್ರೀ ಎಸ್. ಗೋಪಾಲಗೌಡ.—ಮಾನ್ಯ ಮುಖ್ಯ ಮಂತ್ರಿಗಳಾದ ಶ್ರೀ ಎಸ್. ಆರ್. ಕಂಠಿಯವರಿಗೆ ಈಗ ಆರೋಗ್ಯ ಸ್ಥಿತಿ ಹೇಗಿದೆ ?

ಶ್ರೀ ಎಸ್. ಆರ್. ಕಂಠಿ.__ಈಗ ನನಗೆ ಅರೋಗ್ಯ

ಚೆನ್ನಾಗಿದೆ ಎಂದು ಹೇಳುತ್ತೇನೆ.

Mr. SPEAKER.—The Hon'ble Chief Minister may go on. If the Hon'ble Member is so fond of you, you may give your reply outside.

BUDGET ESTIMATES FOR THE YEAR 1962-63.

Presentation.

is. R. Kanthi (Chief Minister).—Sir, we meet here after the Third General Elections. I deem it a great privilege to present the Budget Estimates of the State of Mysore for the year 1962-63. I know, I have to perform the onerous and generally irksome task of a Finance Minister. My predecessor in his previous budget speeches had made it clear that the future firancial position of our State is going to be very difficult. This is a normal sequence of a developing economy in the initial stages of heavy investments. I am sure that the House will appreciate our difficulties and give their valuable suggestions in raising the resources required for placing our finances on an even keel. I do not propose to go into the working of the several departments, but confine myself only to the financial aspects. For the information of the Honourable Members, salient features of the activities of the departments have been furnished briefly in Part II of the speech.

2. Accounts—1960-61.—The year 1960-61 opened with a cash balance of Rs. 142-98 lakhs. The actuals disclosed Revenue of I's. 9,207.35 lakhs and expenditure of Rs. 8,979.53 lakhs resulting in a surplus of Rs. 227.82 lakhs. The overall transactions of the year were as under:

	(Rs. in lakhs)
Opening Balance	$+\ 142.98$
Revenue surplus	+ 227.82
Public Dedt (Net)	$+\ 1637.56$
Loans and Advances (Net)	-625.76
Capital Expenditure	3053.76
Inter-State Debt settlements	-88.23
Contingency Fund ·	-6.38
Debts, Deposits, etc., including	$+\ 1907.61$
realisation of short-term invest-	
ments.	
Closing Balance	+ 141.84
Commence Com	

3. Relief to sufferers from the unprecedented rains and floods.—The economy of this State mainly depends on seasonal conditions. If the seasonal conditions are good all our efforts in developing the economy of the State will bear results. It was rather unfortunate that the abnormally heavy rains during this year, and the consequent heavy floods, caused considerable damage to standing crops, lands and other properties. Fortunately, there was no large-scale loss of life. Thirteen out of the 19 districts were affected by them and in many cases people were rendered homeless. Government lost no time in arranging for the necessary relief. A sum of about Rs. 1.50 crores was sanctioned in the form of loans and grants and the rules governing the grant of relief were also liberalised. Though the nature of expenditure does not fall within the scope of the Central pattern of assistance, the Government of India have been requested to extend their assistance towards the expenditure incurred. Besides financial assistance to individuals, the Government has to incur an expenditure of about Rs. 3 crores on repairs of flood damaged works. Government have accordingly approached the Centre for loan assistance to meet this expenditure.

4. Scarcely had the flood relief operations concluded, some parts of Bijapur, Dharwar, Belgaum, Kolar, Bellary and Chitradurga Districts were affected by scarcity conditions. Accordingly, an additional allotment of Rs. 27½ lakhs had

to be sanctioned for relief measures.

5. As a permanent preventive measure against such recurring droughts, Government sanctioned in 1960-61, a special programme for construction of about 15,000 irrigation wells and liberalised also the rules governing the grant of financial assistance in such cases. Over 16,700 wells costing over 4 erores of rupees have been taken up under the said programme during the last two years with the loan assistance from the Government of India.

6. Commercial Taxes.—To prevent leakage of revenue and to increase the yield under the Mysore Sales Tax Act, 1957, a number of measures have been taken. The important amongst them are, the creation of an Intelligence Section in Bangalore City, establishment of check posts or barriers in suitable places to counteract evasion of payment of tax, and a vigorous drive for improving assessment and collection work. These have already resulted in an improvement in the realisations during the current year compared to the realisations in the corresponding period of the previous year.

7. Taxation on passengers and goods.—The revenue expectations under the Mysore Motor Vehicles (Taxation on Passengers and Goods) Act, 1961, which came into force from 1st October 1961 have fully materialised. The realisations in the six months of this year are likely to be Rs. 50 lakhs and the collections next year Rs. 110 lakhs as against an annual revenue of Rs. 90 lakhs anticipated

at the time the bill was introduced.

- 8. Prohibition.—During 1961, prohibition was extended to Mandya District and Mysore City and Taluk. This has resulted in an annual loss of revenue of Rs. 50 lakhs. At present 16 out of the 19 districts of the State have gone dry, the districts still remaining wet being Bangalore (excepting Channapatna and Ramanagaram Taluks), Gulbarga and Raichur Districts.

 9. In the light of the award of the Third Finance Commission and keeping
- in view our financial position, the further extension of prohibition has necessarily

to be staggered.

- Panchayat Raj.—The Mysore Village Panchayat and Local Boards Act, 1959, has brought into being the three-tier system Panchayat Raj at Village, Taluk and District levels There are 7,450 Panchayats 172 Taluk Boards and 19 Development Councils functioning. At the time the Bill was placed before the Legislature it was made clear that with the transfer of a portion of Land Revenue, the obligatory functions like maintenance of Dispensaries, Rural Communications, Drinking Water Wells, Minor Irrigation, etc., will also be transferred to Taluk Boards and Village Panchayats thus releasing the State Budget of its commitments. In view of the State Budgetary position and with a view to achieve the objectives of Panchayat Raj it is necessary that many of these functions are transferred with suitable grants-in-aid where necessary and action will be taken accordingly during the year. There are certain other functions like the management of primary education which do not come under the obligatory functions, though in the neighbouring States the Primary Schools have been transferred to the newly constituted Local Bodies. When democratic decentralisation has been accepted and compulsory Primary Education has been introduced, it is an obvious fact that the Education Department can no longer directly afford to attend to the day-to-day management of Primary Schools. The question of handing over Primary Education to Taluk Boards with suitable safeguards is under consideration and a comprehensive Bill will be placed before the House. In order to promote the effective administration of the newly born Panchayats and Taluk Boards, a provision of Rs. 49.5 lakhs has been earmarked for the plan period to implement the following schemes:
 - (1) Seminars for members of Panchayats and Taluk Boards.
 - (2) Audit of Panchavats.
- (3) Assistance to Panchayats in the creation of Remunerative Communit Assets.
- 11. It shall be the constant endeavour of this Government to see that the hopes of democratic decentralisation raised all over the State are fully realised.
- 12. Revision Settlement.—The revision settlement which had fallen overdue in the State excluding South Kanara District and three taluks of Raichur District, has now been completed in 14 zones-10 in Belgaum Division, and 2 each in Gulbarga Division and the ex-Mysore area. In other zones the work is in progress. According to present calculations, there will be an appreciable increase in land revenue, when the revision is given effect to.

13. Further relief to Government Employees .- The State Non-gazetted Government servants, both directly and through their various associations, have made a number of representations in the direction of further amelioration of their

service conditions.

14. As the House is aware, the reliefs given in the general pay revision of 1957 supplemented by those granted under the revised pay rules of 1961, were substantial involving nearly Rs. 10 crores of additional recurring expenditure to the State. Considerable benefits have also accrued to them by the extension of medical reimbursement facilities to Non gazetted Government servants drawing pay up to Rs. 300 p.m. and by increased pension benefits arising from the merger of Dearness Allowance with pay.

- 15. As the commitments of the State in respect of the Third Five-Year Plan expenditure demand priority, grant of any further relief to Government employees is necessarily conditioned by the availability of resources.
- 16. I need hardly add that the Government are fully aware of the difficulties under which the Government servants generally, and the low paid ones in particular, are suffering in spite of the reliefs afforded to them in the past and the question of grant of further reliefs will be considered at the proper time with reference to the financial resources.
- 17. There have been several representations for introducing pension benefits to the school teachers in aided schools including those managed by Local Bodies and School Boards. It is proposed to introduce the Triple Benefit Scheme in their case on the model prevailing in Madras State and a Special Officer is being appointed to work out the details of the Scheme including the organisation to maintain accounts.
- Another notable scheme under consideration is the establishment of a Regional Teachers Training College at Mysore for the training of teachers in Higher Secondary Schools and Multi-purpose High Schools. This is one of the four such College's that will be established in the whole of India and the Government of India will bear its entire non-recurring and recurring cost amounting to about Rs. 1.52 crores. The State Government have to make available an extent of 100 acres of land free of cost and they have agreed to this condition. It is hoped that the College will start functioning at Mysore very soon. It will be a residential College and will be able to train 400 teachers every year.
- 19. Commemoration of the centenary of Dr. M. Visvesvaraya.—It may be recalled that the citizens of the State celebrated with great enthusiasm the Centenary of our Engineer-Statesman, Dr. M. Visvesvaraya in the year 1960. The University of Mysore desires to commemorate this event by instituting a Chair in the name of Dr. M. Visvesvaraya. The University has prepared a scheme for creating an Endowment of Rs. 5 lakhs for the establishment of the Chair. The University Grants Commission have agreed to contribute Rs. 3 lakhs and the University has collected about Rs. 8,000 by way of donations. The State Government have agreed to sanction the remaining amount of Rs. 1.92 lakhs.
- 20. I now place before you the financial position during the current year and the prospects of the coming year.
- 21. Revised 1961-62.—We bedgeted for Revenue and Expenditure of Rs. 9,738.31 lakhs (gross) and Rs. 10,169.83 lakhs (gross) respectively. On the basis of actuals available it is anticipated that the Revenue will stand at Rs. 9,547.26 lakhs and Expenditure at Rs. 9,958.34 lakhs. In the result the anticipated deficit of Rs. 431.52 lakhs may stand at Rs. 411.08 lakhs.
- 22. The decrease in Revenue of Rs. 191.05 lakhs is mainly due to omission of gross receipts from Road Transport Department which was converted into a Corporation partly set off by increases under Taxes on Income, Tax on Vehicles, Sales Tax, Interest, Forest, etc. There has been increased expenditure in all Departments particularly in Public Works and Forest and on account of relief measures undertaken due to flood and scarcity conditions. Although the impact on State's finances as a result of the increased expenditure was heavy, we were able to manage because of the comfortable cash balance including short-term investments we had during the year.
- 23. Capital.—In the Budget a sum of Rs. 2,891.93 lakhs was provided for Capital Outlay. On the basis of progress of expenditure this figure is likely to be exceeded by over Rs. 950.00 lakhs. The increase is mainly on account of larger expenditure incurred on Electricity Projects and Civil Works. The Government of India have promised an additional loan assistance of Rs. 437.67 lakhs

for Sharavathy during the current year. We had to provide an additional allotment of about Rs. 200.00 lakks for Communications including rural roads during the current year and a portion of this is reflected in the Revenue Account.

- 24. Loans and Advances.—The total disbursement of loans and advances by State Government during the year is expected to reach a figure of Rs. 1, 275 97 lakhs as against the budgeted figure of Rs. 823.26 lakhs. The increase is due to additional funds provided for loans to cover the second instalment of the programme of construction of 15,000 irrigation wells taken up during the previous year and also due to the additional funds made available for flood relief operations and other schemes. The Government of India have been approached for additional loan assistance both in respect of Irrigation Well Scheme and Flood Relief Operations.
- 25. Public Debt.—In August last, we floated 4½ per cent Mysore State Development Loan, 1972 of Rs. 7.00 crores. The holders of the Mysore State 3 per cent 1956-61 loan of the face value Rs. 599-73 lakhs which was repaid in April 1961, were given the option of conversion of their Securities to the New loan. The Development Loan was over-subscribed, the total subscription including conversion being Rs. 753.71 lakhs.
- 26. Budget 1962-63.—The Budget placed before the House anticipates a Revenue of Rs. 9,970.86 lakhs and expenditure of Rs. 10,293.49 lakhs resulting in a deficit of Rs. 322.63 lakhs. This takes into account the enhanced grants available from the award of the III Finance Commission. The following table indicates the position as compared to actuals of 1960-61 and Revised 1961-62:

			(Rs. in lak)	(s)
		Actuals:	Revised	Budget
		1960-61	1961-62	1962-63
Revenue		9207.35	$9547 \cdot 26$	9970.86
Expenditure		8979.53	$9958 \cdot 34$	10293.49
Surplus (+)	100	+227.82		1
Deficit ()	***	•••	-411.08	_322.63
The deficit is made up of t	be follo	owing:		
				(Rs. in lakhs)
Revenue Receipts				8205.74
Grants from Government of	f India	towards Pl	an and Othe	
*Schemes			•••	1086.61
Grant under Art. 275(1) of	the Co	onstitution	••	. 678.51
		Total I	Revenue	. 9970.86
Expenditure excluding Pla Revenue component of Pla	n evner	diture inch	iding Centrell	. 8966.87
Sponsored Schemes	n exper	iditule incit	uing centran	1326.62
		Total expe	nditure	. 10293.49
			Deficit	. 322.63

The estimates take into account the Revenue that could be realised from the existing rates of taxation. On the expenditure side we have taken into account the minimum requirements of all Departments and I am sure that with the co-operation of the House it will be possible to effect further economy with

reference to the recommendations of the Resources and Economy Committee. A careful study of the Budget will reveal that the deficit is mainly on account of provision made for Plan Schemes, Debt Service Charges, increased expenditure in Development Departments as a result of Second Plan Schemes and impact of revision of scales of pay given effect to from 1st January 1961. The anticipated deficit of Rs. 322.63 lakhs, though less than that of the current year, requires to be made up. The House will appreciate that till we implement the taxation measures, this deficit is bound to continue.

27. The salient features of the activities of each Department are given in Part II of the speech. I may, however, briefly indicate the provisions included for development activities. The Revenue Budget includes a provision of Rs. 7470.64 lakhs for Development Departments as under:

Forest Education Medical and Public Heal Scientific Departments Civil Works and Irrigatio Agriculture Social Welfare Veterinary Co-operation Industries			(Rs. in lakks) 398·42 1775 03 667·79 17.30 1545·23 250·35 155·63 118·38 70·41 2072·79	(including Working
N.E.S Labour Miscellaneous, Social and Organisations.	l Developm Total	 ental 	303·03 29·28 37·00 7470·61	Expenses.)

The above figure represents nearly 75 per cent of gross Revenue and forms 72.7 per cent of gross expenditure. The Members will please see from the details given in the Appendices A and B that expenditure in the Development Departments is increasing so rapidly when compared to increase in Revenue that unless we raise Revenue resources, it will be difficult to maintain the physical targets so far achieved and to achieve those programmed in the coming years.

- 28. Capital.—Appendix C indicates the progressive Outlay on Capital Works from year to year.
- 29. The Capital Budget for 1962-63 provides for a total grant of Rs. 4323-43 lakhs as under:

			(Rs. in lakhs)
Civil Works, Communication and Bui	ldings	•••	806.00
Irrigation	• • •		$840 \cdot 21$
Electricity	•••	***	1907.00
Industrial Development		•••	$565 \cdot 05$
Water Supply			71.50
Road Transport, Ports and other wor	ks	•••	$133 \cdot 67$
		•	4323.43

Among Civil Works, mention may be made of Medical and Health Buillings (Rs. 73.40 lakhs), formation of roads and asphalting (Rs. 19144 lakhs), Rural Communications and D.L.B. Roads (Rs. 60.07 lakhs). Irrigation and Electricity Schemes account for Rs. 2747.21 lakhs of which the main provisions are as under:

		(Rs. in lakhs)
Irrigation:		(113. th tanks)
Bhadra	•••	210.00
Tungabhadra (both banks)	•••	118.42
Ghataprabha (I and II stage)	•••	76.00
Kabini	•••	35.00
T.B.H.L. Canal	•••	31.90
K.R.S. and other Works	***	40.68
Malaprabha	•••	35·10 20·00
Upper Krishna	•••	20.00
		(Rs. in lakhs)
Electricity:		*
Sharavathy Hydro-Electric I Stage	•••	1152.00
II Stage	•••	350.00
Bhadra	•••	80.00
Thungabhadra	***	147.00

The details may be seen in the Annexure D. Under 'Industries', we have made provision for expansion programmes of Iron Works and Electric Factory and for investment in aided concerns. Notwithstanding the overall deficit, these provisions had to be made as completion of these projects is interlinked with the State's economical progress. I may also mention that in some cases like Communications and Water Supply, provision in excess of the annual Plan Ceilings had to be made having regard to the progress of works and this has to be suitably re-adjusted within the total Plan Outlay of Rs. 250.00 crores. The new works for which provisions have been made will, however, be taken up only as and when resources become available.

- 30. Loans and Advances.—The Budget takes into account a total disbursement of Rs. 935 79 lakhs in the coming year. The more important details can be found in Annexure 'E'. While the outgoing under this head is increasing, the recoveries are disappointing. At the end of 1960-61 against the total loan outstandings of Rs. 3212.45 lakhs, Rs. 3110.84 lakhs were due from Local Funds, Agriculturists, etc. There is apparently some complacency on the part of loanees just because Government is the lender and they do not seem to appreciate the responsibility of Government to repay the public debt on the due dates. Government propose to take special measures for the timely recovery of the loan amounts and I am sure the loanees will realise their responsibility in this behalf and co-operate in realisation of Government dues. Since it is the accepted policy of Government to channelise all credit facilities though Co-operatives, the question of disbursing Takavi, Land Improvement and other loans through the Apex Institutions is under consideration. This, I need hardly add, will ensure not only uniformity in procedure and rate of interest but also timely recovery.
- 31. Public Debt.—One of the resources for financing the Plan is Public borrowings. For meeting the Capital Outlay budgeted for 1962-63, it is proposed to raise a public loan of Rs. 6:00 crores in consultation with the Reserve Bank. I am sure that response to this loan will be forthcoming in the same measure as in previous years.

32. Ways and Means.—The Budget placed before the House provides for a net Capital expenditure (1) of Rs. 4323·43 lakhs; (2) for a net disbursement under Loans and Advances of Rs. 551·51 lakhs; and (3) for repayments of debt to the Government of India and others of Rs. 902·14 lakhs. If the the revenue deficit is also added, the total commitment will be Rs. 6099·71 lakhs. The Budget assumes the following resources for meeting the commitments:

			((Rs. in lakhs)
	Public borrowing	***		600.00
	Unfunded Debt	•••	•••	$133 \cdot 27$
(3)	Central assistance (includes ful	l assistance for \	West	
	Coast Roads, Ore Roads and			*
	for Water Supply Schemes)			3121.52
(4)	Other Loans from Outside bod	ies		$181 \cdot 21$
	Net incomings from deposits,	etc., including	cash	*
` '	balance investments of Rs.	1197.22 lakhs.		1674.62
		Total		5710.69

On this basis, the year is expected to close with a minus cash balance of Rs. 688.52 lakhs which will have to be covered by Ways and Means advances, temporarily, to be adjusted later from additional taxation measures.

- 33. Taxation Measures.—The House is aware that the following two taxation measures were passed during the year:
 - (1) Tax on passenger fares and goods;
 - (2) Surcharge on Land Revenue.

While the first measure came into operation from October 1961, the latter could be implemented only at the end of the year with the result that no yield could be realised therefrom this year. The State Government also enhanced tax on Electricity consumption excluding domestic and Agricultural Sector and these two measures together could not give more than a crore of rupees. As the House is aware, the Plan of Rs. 250·00 crores includes State's resources to the extent of Rs. 110·00 crores of which Rs. 42·00 crores is by way of additional taxation. If a Plan of this magnitude has to go through, we cannot help raising the resources. As I have already stated the Resources and Economy Committee have made valuable suggestions and recommendations and Government will place before this House in due course measures to increase our resources.

- 34. The following are some of the major taxation measures suggested by the Committee:
 - (1) General and Special Surcharge on Land Revenue and Water Rate in respect of all lands;
 - (2) Levy of a Consolidated Cess of 50 nP.;
 - (3) Increase in water rate;
 - (4) Tax on new buildings;
 - (5) Amendment of Sales Tax Act removing exemptions and varying the rates on certain commodities;
- (6) Amendment of Agricultural Income-Tax Act enhancing the rates and levy of Super-Tax;
 - (7) Enhancement of Entertainment Tax.

These, and other suggestions regarding prevention of leakage of Revenue are being examined and the House will have the opportunity of discussing the same at the appropriate time.

35. Debt Burden.—The Budget Memorandum indicates the increasing Debt Burden of the State. At the end of 1960-61, the State's debt position was as under:

		(Rs. in crores)
Public Debt Leans from Other Leans	the Government of India	 38·68 90·61 8·64
	Total	 137.93

This excludes our liability on account of the share of debt due to other States as a result of the States Reorganisation. By the end of 1962-63, it is expected that the above liability will go up to Rs. 190.86 crores. No doubt we have invested this amount in big projects, bridges, buildings, industries, etc. A major portion of this investment is, however, unproductive, though Outlay on Irrigation Works, communications, etc., does result in indirect benefits; while investment on Industries and Power Projects take a long time to yield returns. So far we have been honouring our commitments on the due dates. The time has come when a correct appraisal of the debt position of all States requires immediate examination by the Government of India. It was unfortunate that the Third Finance Commission could not deal with the problem, as it was outside the scope of its terms of reference. Unless Government of India take a practical view of the situation, it may be difficult to repay Government of Irdia Loans on the due dates. The terms of repayment should be liberalised and moratorium declared both for payment of interest and repayment of principal with reference to the nature of investment. I trust that the Government of India will appreciate our difficulties and give necessary relief.

36. Finance Commission.—The House is aware that the State Government placed their case before the Finance Commission for increased allocation of Central Taxes and Grant-in-aid. The following table indicates the resultant position:—

	(Rupees in	-
	1961-62	1962-63
	Budget.	Budget.
Share of Income Tax	515.26	460 00
Union Excise Duties_Basic	236.28	426.00
Additional Excise Duty	137.10	141.64
Estate Duties	16.92	23.00
Tax on Railway Fares	55.63	56.00
Grant-in-aid under Art. 275 (1) of Constitution	n 600·00	675.00
Grant for change in Company Taxation	. 138.32	
Total	1599.51	1781.64
	-	

The award no doubt falls short of our anticipations. But we cannot also say that it is wholly unsatisfactory. The Commission has taken into account the taxation promised by the State to implement the Plan. I am sure that if we make earnest efforts to raise the maximum resources as promised we can certainly count on additional central assistance for implementing the Plan in the event of short-fall in resources. I am certain that the House will co-operate in achieving the targets set for raising resources, as any staggering in the fulfilment of the Plan will retard the progress on all sides.

37. Plan Programme.—Our performance during the Second Plan was up to the mark. As against an outlay of Rs. 145.00 crores, the expenditure incurred was Rs. 142.29 crores besides Centrally Sponsored Schemes which themselves accounted for Rs. 7.81 crores. The following table shows the expenditure incurred in several sectors:

(Rs. in crores) Centrally State Plan Sl.Sector Sponsored Expenditure No.Schemes Agriculture, Minor Irrigation and allied 0.0115.74sectors. 0.5013.67 Community Development, Co-operation 27.10 Major and Medium Irrigation 26.61 6.53 5 Village and Small Scale Industries . 1.05 5.57Industry and Minerals 2.02 14.87 7 Transport and Communications 4.2329.628 Social Services Miscellaneous 0.58 . . . 7.81 140.29Expenditure in the integrated areas from 1st April 1956 to 31st October 1956, i.e., +2.00before integration $142 \cdot 29$

Apart from the expenditure, we were able to realise physical targets in tht several sectors. We admit that there may have been lapses here and there bue this could not be avoided in a Plan of this magnitude.

- 38. We have now come to the end of the First year of the Third Plan. Based on the experience gained in the first two Plans, the Third Plan has been framed with a view to achieve a more intensified development. The size of the Third Plan in the Public Sector for the whole country is Rs. 7,500 crores being $1\frac{1}{2}$ times the size of Second Plan. The principal objectives of the Plan are
 - (1) to secure an increase in national income of over 5 per cent per annum;
 - (2) to achieve self-sufficiency in food grains;
 - (3) expansion of basic industries;
 - (4) utilisation to the full extent the man-power resources;
 - (5) to establish progressively greater equality of opportunity and to bring about reduction in disparities in income and wealth.

The State Plan which forms part of the National Plan has, therefore, the same objectives in view. The Plan covering a period of five years is essentially flexible and the detailed plans for each year are worked out with due regard to the resources which become available from year to year.

39. Conclusion.—I have placed before the House the financial position of the State as accurately as possible and the salient features of the working of the departments. The Budget documents give you fuller details. It is clear that we have to face difficult problems in the coming years. I have no doubt that with the guidance of this House we will be able to march ahead, in spite of all these difficulties which are the natural consequences of Planning, for a better future.

832.24

822.41

738.05

735-11

760.79

624.12

Total

1380.41 | 1371.24

1263.97

1213.63

1212.21

1039.64

:

Total Direct Taxes

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(SRI S. R. KANTHI)

the formation of the (Rs. in lakhs)	unts, Accounts, Revised, Budget, 1960-61 1961-62 1962-63	(2) (6) (7)	. ,	447.08 $479.41*$ 460.00 17.47 22.65 23.00 61.37 56.00 56.00	558.06 539.00		66.74 75.00	,
the	Accounts, 1960-61				 		66.74	226.27 34.85
e l		(2)		· 08 · 47 · 37		1		
year since	ints, -60	- 1		447 17 61	525.92		73.69	190-99 190-99 32-86
from year to year	Accounts 1959-60	(4)	No. of the last of	407·70 12·66 58·16	478.52		88.62	185.55 30.59
Resources fro	Accounts, 1958-59	(3)	ů.	389.61 13·34 48·47	451.42		102.94	157.64 27.69
State's Re	Accounts, 1957-58	(2)	2	382·77 11·35 21·40	415.52		54.04	139.48 26.75
'a j				: : :	;		:	: : :
increase in					Total		•	(2 M)
The following table shows the New State:	Direct Taxes	(1)	1. Share of Central Taxes:	1. Income Tax 2. Estate Duty 3. Tax on Railway Fares		II. State Taxes:	1. Agricultural Income Tax	3. Stamps

* Excludes grants from Government of India to cover the reduction in Income Tax, consequent upon the changes in company taxation.

1902	J		FRES	ENTATIO	JN OI		AR 19	62	-63	3	11/1	AT	D.O	ron	. THE		
(Rs. in lakhs)	Budget	1962-63	(7)	426.00	141.64	567.64	974.58	523.00	127.00	765.00	118.00	140.36	92.11	22.00	2070.65	2638.29	4009.53
(F	Revised.	1961-62	(9)	263.41	135.29	398-70	974.55	449.00	120.00	737.40	1111.75	135.37	90.77	16.11	1948-74	2347.44	3727.91
	Accounts.	1960-61	(2)	239·61	128.50	368.11	319.15	357.76	109.51	640.11	63.03	85.00	57.35	16-72	1720-33	2088.44	3352.41
	Accounts.	1959-60	(4)	233.35	131.01	364.36	320.01	312.91	26.71	96.099	40.89	18.67	70.78	15.52	1580.53	1944.89	3158.52
	Accounts.	1958-59	(3)	218-35	133.64	351.99	308.39	268.46	68.74	589.09	48.16	55.39	71.09	16.17	1472.09	1824.08	3036.29
	Accounts.	1957-58	(2)	184.70	41.66	226.36	289.07			4		39.90	34.95		1136.76	1363.12	2402.76
	Indirect Taxes	4	(1)		z. Additional Excise Duties in lieu of Sales Tax	Total		2. Tax on Vehicles	Spirits	4. Sales Tax (General)	5. Inter State Sales Tax	o. Electricity Duty	ne Sugarcane Cess	9. Health Cess	Total	Total Indirect Taxes	Total Tax Revenue

(Rs. in lakhs)

(Sri S. R. Kanthi)

Yield from important heads of non-tax revenues.

		rain a se _s a	
Budget, 1962-63	(1)	62.46 401.58 2.96 461.08	678-51
Revised, 1961-62	(9)	69:31 372:47 -42:92 15:25 414:14 4142:05	741.45(a)
Accounts, 1960-61	(5)	42.36 466.\$3 5.96 1.24 431.17 3783.58	612.16
Accounts, 1959-60	.(4)	78·74 392·11 66·10 3·30 540·25 3698·77	600.24
Accounts, 1958-59	(3)	$ \begin{array}{r} 48.93 \\ 363.51 \\ 44.82 \\ \hline 15.37 \\ 344.03 \\ \hline 3380.32 \\ \end{array} $	611.24
Accounts, 195758	(2)	32.98 334.59 97.20 -7.84 456.93	625.73
Non-tax Revenue	(1)	*Net Reverues from Industrial Concerns Net Revenues from Forest Department *Net Receipts from Road Transport Schemes Net receipts from Irrigation (**excluding the grants from Government of India for Plan Schemes and also excluding interest on Capital) Total Tax and Non-tax Revenue	***Grants-in-aid from the Centre under provisions of the Constitution

**With the addition of interest on Capital the net receipt will show a very large deficit. Note; ... *This does not indicate the net profits carned.

***This does not include grants towards the Plan Schemes, but includes the ad hoc grant of Rs. 600 lakhs per annum sanctioned by the II Finance Commission, which is raised to Rs 675 lakhs from 62-63 by the III Finance Commission.

(a) Includes grants from Government of India to cover the reduction in Income-tax consequent upon changes in Company Taxation which is discontinued for 1962-63. (In lakhs of Rupees)

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Acc. 195	Accounts 1957-58	Accounts 1958-59	Accounts 1959-60	Aecounts 1960-61	Revised 1961-62	Budget 1962-63
8	900.19	964.42	1085.40	1247-27	1625.87	1775.03
444	113.10	125.18	154.77	173.85	199.18	250.35
	49.81	67.44	71.87	85.38	93.67	118.38
П	1429.98	1600.00	1649.28	1781-65	1850.01	2072-79
	102.39	131-73	159.65	155.37	134.54	155.63
	43.52	48.73	59.56	53.06	55.93	70.41
	533.59	667.10	851.11	1232.42	1632.65	1545.23
		2 E		2	1	
64	202.98	227.60	240.32	308.29	297.78	332.01
	103.91	114.30	131.03	155.25	241.90	335.78
m	3479.47	3946.50	4402.99	5192.54	6131.52	6655-61
			-			

(SRI S. I. KANTHI)

						(Teo. or tunico)
:	Accounts 1957-58	Accounts 1958-59	Accounts 1959-60	Accounts 1960-61	Revised 1961-62	Budget 1962-63
Irrigation Works	611.75	647.98	664.93	892.62	1013·19	840.21
Civil Works	217.55	302.89	400.98	871.68	1032.50	806.00
Hydro-Electric Works	274.53	312.44	510.47	813.75	1064.83	1907-00
Industrial & other works, including Iron and Steel Works and Road Transport Schemes.	376.05	487·30	334.76	475.71	534.91	740-22
Total	1479.88	1750.61	1911.14	3053.76	3645.43	4323.43

ANNEXURE D

Provision in respect of important Irrigation Works.

,	,						Y	EA	H	TA	0%	-03)										
of kupees).	Variation between	(6) and (5)	(8)	-20.00	-9.90	-4.80	-10.24	-6.47	-33.08	+7.43	+3.10	+2.80	90.2 -		00.8+	+1.60	- 5.00	:		-2.00	-0.15	-68.47	
(In takhs of Kupees)	Variatio	(5) and (4)	(7)	+30.00	99.9+	-4.20	+2.89	+4.90	09.96+	-12.43	+11.12	-10.70	+2.16		-13.00	-3.60	+2.00				-1.80	+113.40	
	Budget,	1962-63	(9)	210.00	3.99	00.9	3.00	5.64	113.42	35.00	00.92	2.00	35.10	20.00	10.00	4.00	5.00	10.00	1.00	8.00	1.00	554.15	
	Revised,	1961-62	(5)	230.00	9.59	10.80	13.24	12.11	146.50	27.57	72.90	1.20	42.16	20.00	2.00	2.40	10.00	10.00	1.00	10.00	1.15	622.62	
	Budget,	1961-62	(4)	200.00	3.03	15.00	10.35	7.21	50.00	40.00	61.78	11.90	40.00	20.00	15.00	00.9	2.00	10.00	1.00	10.00	2.95	509.22	
	Accounts,	1900-61	(3)	311.81	5.29	10.10	16.94	21.89	163.47	16.74	53.32	:	10.81	:		2.39	5.40	4.74	0.93	22.27	2.48	648.58 -	
	Accounts,	1959-60	(2)	275.24	5.40	4.02	14.37	5.39	63.66	14.22	43.46	:	:	: :	:	1.53	4.06	3.26	2.81	60.6	2.55	449.06	-
					:			:	:	:	:	:	:	,	:	:	:	:	:		:	:	
PARTIES OF THE PARTIE		Name of the Project	(1)	Bhadra Project	Tunga	Nugu	Ambligola	Contribution to T. B. Board	T. B. Project (Munirabad side)	Kabbini	Ghataprabha I and II Stages	Harangi	Malaprabha	Upper Krishna	Hemavathi	Investigation of Major Projects	Hebbahalla Project	Chickhole Project	Lakshmanathirtha Project	Dharma Project	Nagathana Tank	C.O.	

(SRI S. R. KANTHI)

ANNEXURE D-(contd.)

	(In lakhs of Rupees).	Variation between	and (4) (6) and (5)	(8) (1) (2)			+3.24 -11.94	78.03			15.00	67.2	00.9+	-3.22 +0.30	'	125.45 -16.74	<u> </u> -	+30.10 -177.35	The second secon
	(I)		<u>(</u>		-	+										<u> </u>	<u> -</u>	<u>+</u>	
•	rks.	Budget,	1962-63	(9)	554.15	:	31.90	7	00.0	8:00	10.00	1.00	10.00	2.00	29.20	53.75	-	705.00	
1	gation Wo	Revised.	1961-62	(5)	622.62	80.00	43.24	1	10.01	3.27	12.00	3.79	2.00	1.70	29.87	70.49		882.35	
	ortant Irri	Budget.	1961-62	(4)	509.22	20.00	40.00	3	5.24	3.00	10.00	3.79	2.00	4.92	25.00	195.98		852.25	
	Provision in respect of important Irrigation Works.	A counts.	1960-61	(3)	648.58	52.48	29.07		14.48	5.64	8.35	1.19	2.33	1.42	19.89	46.44		827.80	
1	on in respe	Accounts	1959-60	(2)	449.06	22.59	10.16		80.9	1.21	.16	.14	1.99	2 20	16.58	44.03		552-56	,
	Provisio		Name of the Project	(1)	ŭ E	Chemorologogo Water Works	Tungabhadra Project High Level Canal	Tungabhadra Project Right Bank Distri-	hutaries	Droiset	Jampadanana Liojeco	:	Kolchi Weir Froject	Hathikoni Project	Gorupur Anicut Scheme	Krishnarajasagar Works	Const I tolera	Total	

ANNEXURE E
Major Items under 'Loans and Advances'.

Items	Accounts, 1960-61	Budget, 1961-62	Revised 1961-62	Budget, 1962.63
(1)	(2)	(3)	(4)	(9)
Loans for slum clearance	1.21	00.9	1.15	4.50
Loans to Municipalities for Water Supply Schemes	57.02	45.00	65.00	45.00
Loans to Municipalities for drainage works	18.85	8.00	38.00	17 50
ment purposes such	1.62	2.00	2.00	2.00
	44.00	3.00	3.00	8.00
Loans to District Boards	-1.00	:		
Loans to Village Panchayats and Local Boards for water supply	2.02	:	;	10.00
and drainage scheme.				
Loans to Taluk Boards	:	2.00	2.00	:
Loans to Taluk Boards and Village Panchayats for conducting	5.24	4.00	0.20	:
elections.				:
Loans for construction of primary school buildings	:	:	0.25	
	256.74	93.16	359.52	140.09
Advances under Special Laws-State Aid to Industries	12.16	16.00	10.50	15.00
Development Programme	131.36	48.55	56.03	60.62
Loans to Land Mortgage Bank	40.00	40 00	40.00	40.00
Loans under Coir Industries Scheme	1.38	2.49	1.88	0.62
:	0.72	1.30	1.05	0.50
Loans for Cotton Handloom Industries	4.80	3.04	4.22	5.22
ries	1.00	. 1.23	1.91	2.41
Loans for Silk Handloom Industries	1.99	2.65	2.45	1.65
Loans for Installation of Powerloom	14.90	48.25	18.00	20.00
Loans for Development of Small Scale Industries	16.9	3.00	5.25	00.6
	19.20	00.9	25.17	17.26
Loan to Hatti Fold Mines towards cost of Gold Supplied	00.69	00.89	85.00	80.00

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ANNEXUKE

(Rs. in lakhs) (Provisional) Statement of Balances under some important heads under the Major Head "Loans and Advances by State Government".

		Account	Accounts, 1960-61	- 6	
Heads		Credits	Debits	Balance as on 1st April 1961	as on l 1961
		2000		4	
Loans to Bangalore Corporation	:	2.61	45.21	123.16	(Dr.)
		and the second			
	;	14.77	57.03	336.08	(Dr.)
			18.85	85.57	
dges		1.33	:	1.56	
Loans for Municipalities, Bombay Loans to Municipalities for other Miscellaneous purposes	: :	2.95	1.62	23.70 19.10	,,
Loans to District and other Local Fund Committees:					
			-1.00	18.25	66
Loans to V.Ps and Local Boards	::	1.95	7.72	26.39	33
		post Textoriosis		and a second second second second	
Loans under the Land Improvement Act, (Coorg) Takayi Loan (New Bules)		0.89	0.43	5.80	(Dr.)
		TANDA MINIS	7.96	26.77	; ;

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ANNEXURE F -- (contd.)

							•		5			٠															
Khs.)		as on		(Dr.)	66	:	`	: :	: :		60	•	• •	11		;					;	•	93	3.3	3.3	66	,,
(Kupees in takus.)	1,0	Dalance as on 1st April 1961		28.95	0.29	56.80	4.11	11.52	15.46	52.45	169.27	6.72	9.28	34.57		10.00	40.00	107.32	•		23.00	27.98	16.24	10,19	48.53	21.72	56.56
٠	, 1960–61	Debits		5.72	1.29	39.20	:	1.08	0.69	0.29	:	90.0	4.07	12.16		78.12	40.00	19.50	:		:	4.80	1.00	1.99	14.90	06.9	11.08
	Accounts, 1960-61	Credits		1.78	0.59	19.30	0.81	0.19	2.52	1.19	:;	0.44	0.13	13.67		71.09	40.00	60.0	9.63		4.00	7.89	0.08	1.82	:	1.54	14.60
		÷	ulturists Loans	•	A conjuntational Trans	STRONT SOSTINGING			:	:	:	:	:	:			•	:	: .	Bank for Small Scale	:	:	•	:	:		•
		Heads	Loans under the Land Improvement Loans Act and Agriculturists	:	5	200	sulturists Loans Act, (Coorg)	Famine Takavi	Revenue Takavi	tivators (Bombay)	Tagai Advances	Restoration of Tanks	New well Subsidy Scheme	Advances under special Laws-State Aid to Industries	Miscellaneous Loans and Advances:	Industrial Loans	Loan to Land Mortgage Bank	ies (Hatti Gold Mines)		Loan to Mysore Central Rural Industrial Financing Bank	Industries	Loans for Development of Handloom Industries	Woollen Handloom Industry	Silk Handloom Industry	Loan for Installation of Power Looms	Advances to Regulated Markets	Loans to Mysore Housing Board (for S.1.H. Scheme)

(Rupees in lakhs.)

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	Accounts	Accounts, 1960-61	Rolonno od om	t
Heads	Credits	Debits	1st April 1961	-
Advances to Trust Boards for Layout of Extensions	1.26	0.88	37.77 (Dr.)	,
;	4.70	51.34	280.31	
		20.00	45.00	
	3.13	5.00	9.34	
ocluding House Building Societies	5.64	17.59	60.23	
	0.12	12.62	53.48	
Advances to Co-operative Multipurpose and Marketing Societies for				
construction of Godowns	2.53	5.25	27.06	
	43.85	65.00	232.28	
	1.05	0.08	68.10	
e societies	4.05	:	25.69	
Special Advances to Deputy Commissioners for implementation of Mysore				
Village Panchayat and Local Boards Act	1.00	00.9	28.45	
Loans to Government Servants	22.45	34.84	101.61	

PART II

AGRICULTURE

For imparting Agricultural Education, there are, at present, two Agricultural Colleges, five Grama Sevaks Training Centres and five Agricultural Schools. During the third plan period, it is not only proposed to strengthen the existing institutions but also to start five more schools. One school has already been started at Nugu, Mysore District, this year.

- 2. In addition to Agricultural Education, research, which plays an important part in placing the development of Agriculture on firm foundations, is given its due share of attention in the third plan. It is proposed to reorganise research activities by establishing cropwise main stations for all important crops with regional and substations spread over the length and breadth of the State. Re organisation of some of the schemes has already been completed and that of others is under way.
 - 3. For producing foundation seeds, 56 seed farms were started during the second plan period. Fifty more such farms are proposed to be started during the third plan. The target for the current year is 5 farms.
- 4. During this year, 3,886 acres have been reclaimed by Tractor and Bulldozer services against the target of 2,16,340 acres have 10,250 acres. been brought under the Japanese method of paddy cultivation during Under the Khariff the Khariff season. and Rabi campaigns, 22,80,904 acres have been brought under improved The area methods of cultivation. protected under the 'Plant Protection' programme stands at 92, 12 acres.
- 5. Implementation of the Intensive District Agriculture programme otherwise known as the 'Package Programme' has been taken up in Mandya District. Under this programme maximum facilities are afforded to the cultivators by providing essential

supplies like fertilisers, seeds and also credit in order to achieve production of rice and other cereals to the maximum extent practicable.

6. Besides a iming at maintaining the tempo gained in the production of food and other crops in the second plan period and increasing the yield of food crops by another 10 lakhs of tons. the third plan envisages greater attention to subsidiary food crops like fruits and vegetables, and cash crops. 2,192 acres of old orchards have been rejuvenated and 1,222 acres newly brought under fruit trees during the current year against 2,400 acres and 1,800 acres, respectively, programmed. 620 acres have been brought under cardamom and 1,267 acres under pepper against 600 and 2,000 acres. respectively, targeted. Under Cashew Development Scheme, 14,900 acres have been brought under cultivation, newly during the year, against 15,000 acres programmed.

Other crops in which increased yields are targeted are cocoanut, sugarcane, cotton, oil seeds, tobacco, etc.

SOIL CONSERVATION

7. With the passage of the Land Improvement Act during the last sessions of the Legislature, Soil Conservation measures which were hitherto confined to the Bombay-Karnatak area can be extended to the entire State. During this year 55,794 acres of undulating lands have been contour bunded against the target of 60,000 acres.

FISHERIES

- 8. The Training Centre at Mangalore for manning the mechanised boats has been expanded to train 80 fishermen each year. 8 ice and cold storage units have been established and increased facilities provided for transport of fish. Nurseries for stocking fish-fry have been constructed.
- 9. Under the third plan, 21 fishery schemes at a total cost of 130 lakhs have been formulated as against 69 lakhs of the second plan. The salient

features are, expansion of the existing 2 boat building yards and supply of 150 mechanised boats, 3,000 units of fishery requisites and 10,500 tons of salt at subsidised rates.

- 10. The important development during this year was the finalisation of the proposal to set up a marine product processing training centre at Mangalore with Japanese assistance at an estimated cost of Rs. 10 lakhs and the extension of the activities of Indo-Norwegian Fisheries Project to this State with Karwar as the Centre.
- 11. A sum of Rs. 6 lakhs was sanctioned during the year to grant loans to fishermen at Rs. 200 per family to enable them to tide over the difficult situation arising from the poor catch of fish in the coastal districts of North and South Kanara.

FORESTS

- 12. The Forest Department is making all out efforts to cope with the demand for forest produce from the other departments of Government including Sandal Oil Factories and Saw Mills, the Railways, the Defence Services, industries like the Mysore Iron and Steel Works, the West Coast Paper Jills, Plywood Factories, Hindustan Aircraft Ltd., etc., and the general public. Its annual supplies are of the order of about 8 lakhs in Railway sleepers, 13,000 tons in timber and 22,000 in electric poles.
- 13. In the second plan period 19 forestry schemes were under operation of which the scheme of intensification afforestation of waste lands and rehabilitation of the degraded forests by the formation of plantations of valuable firewood, timber and other economic species is the most important. Statistically stated, the area under teak rose during the period from .91 lakh acres to 1.22 lakhs acres, that under fuel from .46 lakh acres to 1.19 lakhs acres, area under soft woods from .004 lakh acres to .08 lakh acres and that under cashew from .03 lakh acres to .12 lakh acres.
- 14. In the third plan, it is proposed to bring 52,000 acres newly under teak

and 12,000 acres under soft wood species for match, plywood, and packing cases. 42,000 acres covering the drier parts of the State, in general, and Bangalore and Bhadravathi Divisions, in particular, are targeted to be brought under fuel species under the scheme of "Rehabilitation of Degraded Forests". Another two lakes of acres of revenue waste lands are proposed to be afforested in the form of diffused wood lots in Community Development and National Extension Service Blocks through the medium of Taluq Boards to create fuel reserves to free the agricultural population from shortage of fuel thereby enabling them to release cowding from the hearth to the soil. Plantations covering an extent of 1,100 miles along road and canal sides are also proposed to compensate for the areas submerged under river valley

15. To ensure a sustained supply to the Mysore Iron and Steel Works of fuel and charcoal from forest areas round about Bhadravathi in Shimoga District which have been overtapped during the last two decades, it is proposed to raise large-scale plantations of fast growing species in an area of 6,000 acres annually over a period of five years.

16. The annual requirements of the Iron and Steel Works at Bhadravathi have so far been 50,000 tons in firewood and 6 lakhs bags in charcoal. With the establishment of the new ferro-silicon plant at the Works which is expected to go into production by October 1962, the Works' requirements in charcoal will be of the order of 18 lakhs bags. It is proposed to meet this increased demand by working further areas in Belgaum and Coorg Circles in addition to those now being worked.

17. The prevention of illicit removal of forest produce like timber and sandalwood has become a problem now-a-days due to fast moving vehicles and the inadequacy of watch and ward staff. The smuggling is done by armed gangsters from the border areas of Mysore and Kollegal Divisions into other areas. To check this smuggling, 4 flying squads, one each for Kolar,

(Sei S. R. Kanthi)

Kollegal, Chickmagalur and Mysore Divisions have been established. 17 checking stations have also been located at strategic points in Belgaum and Shimoga Circles.

To utilise, to the maximum extent practicable, timber at present left in the forests partly for want of demand and partly due to un-economic cost of their exploitation, portable sawing units, mobile treatment plants are being introduced which will not only bring more revenue to the Department but also make it possible to put in the market treated timber and bomboos at economic prices.

- 18. The revenue from the forests is expected to increase further when large tracts of unorganised forests in North Kanara, a survey of the resources of which is nearing completion, and the unreserves in South Kanara proposed to be taken over from the Revenue to the Forest Department, are taken up for exploitation scientific and sustained basis. Proposals to take over District Forests, Paisari lands, etc., from the Revenue Department to bring them under proper management for rehabilitating them are also on hand.
- 19. Adequate attention is also being paid to improve game sanctuaries. Two forest lodges have been constructed in Bandipur Game Sanctuary and the sanctuary area has been electrified. A low dam across the Nagarhole river in Nagarhole Game Sanctuary has been constructed to form a large pool of water for the fostering of wild life.

PUBLIC WORKS Buildings

- 20. The estimated outlay on buildings during the third five year plan is of the order of 15 crores of which an expenditure of Rs. 3.48 crores is expected to be incurred during the current year. The following are some of the important buildings proposed or under construction:—
- (1) Construction of 432 Police Constables quarters and other allied buildings at Magadi Road Layout, Bangalore (cost Rs. 40.03 lakhs).

- (2) Construction of hospitals and staff quarters for the Employees State Insurance Scheme at Rajajinagar (cost Rs. 34.32 lakhs).
- (3) Construction of Veterinary College and Agricultural College and allied buildings at Hebbal (cost Rs. 51.67 lakhs).
- (4) Construction of multi-storeyed buildings at Victoria Hospital (cost Rs. 33.00 lakhs).
- (5) Construction of Milk Dairy Project buildings at Bangalore (cost Rs. 41.5 lakhs).
- (6) Construction of Karnatak Medical College buildings at Hubli (cost Rs. 150.00 lakhs).
- (7) Construction of Branch Printing Presses at Dharwar and Gulbarga (cost Rs. 58.03 lakhs).
- (8) Construction of Out-patient block and Operation Theatre at Bellary Medical College Hospital, Bellary (cost Rs. 22.28 lakhs).

Residential Housing

Under the scheme of construction of quarters for Non-gazetted officers in the district and talug headquarters an expenditure of Rs. 40 lakhs is proposed to be incurred during the current year and a sum of Rs. 30 lakhs during next This scheme is intended for Non-gazetted provide quarters officers in places where there is dearth of private houses. Another scheme for \mathbf{of} shortage residential \mathbf{of} accommodation is the Rental Housing Scheme financed from loans provided by the Life Insurance Corporation of India. Under this scheme quarters will be provided for low paid employees whose income is within Rs. 500 per month on rental basis. About 608 family quarters are proposed to be constructed under this scheme at a cost of Rs. 56.74 lakhs, of which quarters are allotted to Raichur. Gulbarga, Chickmagalur, Hassan and Shimoga Districts, 160 quarters to Dharwar, Belgaum, Bijapur and Mysore Districts and 154 quarters to Mangalore, Tumkur and Karwar Districts and Sirsi, Madhugiri and Yadgir Taluqs. An expenditure of Rs. 20 lakhs has already been incurred under this scheme and a sum of Rs. 32 lakhs is proposed to be incurred during next year.

Communications

22. During the second five-year plan period, a sum of Rs. 961.69 lakhs was incurred for the formation of 1559 miles of roads and asphalting and cement concreting of another 1,617 and 83 miles, respectively. The total length of rural communications tackled during the period is of the order of 10,494 miles.

Of these 10,494 miles, 8,582 miles are village roads. Though the target was 8,550 miles at the rate of 50 miles per taluq, it was exceeded in certain districts with a view to provide employment to the local people in areas affected by scarcity conditions. The balance of 1,912 miles are for providing missing links. These as well as an additional length of 2,940 miles of village roads are expected to be completed during the third plan period assuming that the required funds become available.

District Local Boards Roads

23. With a view to afford better communication facilities in the interior parts of the district a total length of 7,525 miles of District Local Board roads have been taken up for improvement since 1958. This work is proposed to be done under a phased programme spread over a period of 5 years with reference to the financial resources.

Centrally aided Road Programme Works

24. Two important works in progress under this head are (1) the West Coast Road Works and (2) Road Works connecting mineral ore area to Ports on the West Coast.

(1) West Coast Road Works.—The total length of the West Coast Road in the State comes to 167 miles. This programme includes (a) construction of 14 major brides (costing more than Rs. 2 lakhs each) at a cost of about

Rs. 309.05 lakhs, (b) construction of minor bridges costing about Rs. 4.45 lakhs, (c) diversion of the road in the narrow built up areas at a cost of Rs. 59.35 lakhs and (d) upgrading the road to National Highway standard and improving the road surface by providing black topping at a cost of about Rs. 234.37 lakhs.

The total estimated cost of the works under this head is Rs. 758 76 lakhs and and an expenditure of Rs. 150.55 lakhs has been incurred so far commencing from November 1956.

- (2) In regard to the second item, viz., improvement of roads connecting mineral ore area to ports, the Government of India have agreed to provide financial assistance up to Rs. 246.00 lakhs against the estimated cost of Rs. 477.47 lakhs covering 379 miles of the following roads:—
 - Banasandra—Hassan Road
 - 2. Hub.i-Karwar Road
 - 3. Talaguppa—Honnavar Road
 - 4. Londa-Sadashivagad Road
 - 5. Hassan-Mangalore Road.

It is proposed to provide black topped two line carriage-way of 22 feet width for these roads. An expenditure of Rs. 106.03 lakhs has already been incurred on this scheme so far.

National Highway No. 13

25. The Government of India in their Notification dated 4th May 1960, have declared the Highway connecting Chitradurga and Shoapur passing through Jagalur, Kudligi, Hospet, Kushtagi, Hungund, Muddebihal, Bagewadi and Bijapur as National Highway No. 13.

The total length of this National Highway in Mysore State is 262 miles which includes about 43 miles length of missing link (i.e., new construction) between Hospet and Kushtagi in Raichur District. Against the estimated this cost of Rs. 624 lakhs for upgrading road to National Highways standard, the Government of India have agreed to allot an amount of Rs. 150 lakhs during the third five-year plan period.

The State Government have sanctioned 2 Divisions and 10 Sub-Divisions

for investigation and preparation of Plans and Estimates for a period of one year to facilitate the starting of this work urgently.

Flood Damage Repair Works

Due to the unprecedented heavy rains in some parts of the State during the months of July and August 1961, a large number of roads, bridges, culverts and irrigation works, sustained serious damages resulting in suspension of normal traffic. Traffic on the ghat roads was cut off entirely for a temporary period due to heavy land slips and land slides. The roads were however cleared and traffic restored with minimum loss of time. The damages were particularly heavy in the Districts of Coorg, Hassan, Kanara, North Kanara, Chickmaga ur and Shimoga. The cost of repairing the damages to coastal roads, bridges and buildings is estimated Rs. 2.2293 crores. The cost of reparing the damages caused to Irrigation Works by floods is estimated Rs. 76.85 lakhs.

The Government of India have been requested to grant a loan to the State to cover the cost of these works.

Major and Medium Irrigation Projects

27. In addition to 6 major projects, viz., (1) Tungabhadra (left bank and right bank canals), (2) Ghataprabha I stage, (3) Bhadra Reservoir, (4) Rajolibund Diversion Scheme, (5) Tunga Anicut and (6) Nugu Reservoir, and five medium projects executed as spill-over schemes during the second five-year plan, the following 3 new major projects, viz., (1) Ghataprabha II stage, (2) Tungabhadra High Level Canal I stage, (3) Kabini Reservoir and 11 new Medium Projects were in progress during the second plan period.

The following 7 new projects are proposed to be taken up during third five-year plan period according to a phased programme depending on the resources available:

1. Harangi Reservoir

2. Upper Krishna Project I stage

Malaprabha Project
 Hemavathi Project

- 5. Kambadakada Project
- 6. Harinala Project
- 7. Bijjur Project

On completion of all these irrigation works they are expected to feed an ayacut of 24.41 lakhs of acres, of which 14.32 lakhs of acres relate to the projects covered by the first and second plans.

The expenditure incurred on these projects during the second plan period was of the order of Rs. 26.68 crores, and that to end of the second plan amounted to Rs. 63.96 crores. The provision made for these projects in the third plan is Rs. 40.65 crores.

The expenditure on these works during the curent year is likely to come to Rs. 7.62 crores as against the budget provision of Rs. 7.5 crores.

Hydro Electric Construction Projects

- 28. The works now under excution are :-
- (1) Tungabhadra Hydro Electric Project Left Bank,
- (2) Bhadra Hydro Electric Project and
- (3) Sharavathy Valley Project. During the quinquennium covered by the second plan, a sum of Rs. 19 crores was spent on these works. The estimated outlay in 1961-62 and 1962-63 is Rs. 11.12 crores and Rs. 20.07 crores, respectively.

Tungabhadra Hydro Electric Project

29. The installation of the first unit has been completed and put into commercial use and the second unit which is under installation is expected to be serviced in the first quarter of 1962-63. The equipment for the third unit is expected to be received at the fag end of 1962-63 and its installation will be taken up in 1963-64. The 110 K. V. Transmission line between Munirabad and Raichur, which is under construction is expected to be commissioned in 1962-63 itself.

Bhadra Hydro Electric Project

30. The erection of turbines and generators both in the river bed and in the right bank station is in progress. One unit of 2,000 K. W. units in left bank which is already installed is proposed to be serviced in June 1962. The work on the other 2 units of 12,000 K. W. each are progressing rapidly and they are expected to be serviced before December 1962.

Sharavathy Valley Project

31. The civil engineering works of the Sharavathi Valley Project consist of:—

(i, building a dam of 8,070 ft. long and 199 ft. high across the river Sharavathi near Linganamakki for forming a storage reservoir to impound 1,56,000 M.C.ft. of water;

(ii) constructing a subsidiary dam across the Talakalale stream, (a tributary to river Sharavathi) 1,590 ft. long and 205 ft. high serving as a balancing

(iii) a water conductor system of 16,528 ft. long, out of which 10,894 ft. is R.C.C. Duct and the rest open

trapezoidal section; and

(iv) two tunnels, one of them at Malali 2,125 ft. long, and the other at Vodenbyle (twin pressure tunnels). consisting of two tunnels 3,510 ft. and 3,434 ft. long, terminating in surge tanks 50 ft. in diameter, from where the penstocks take off, feeding the water to 10 turbines in a power house at A.B. Site situated about 3 miles downstream of the existing Mahatma Gandhi Hydro Electric Generating Station.

During the current year the progress of the works had a setback on account of the early setting in of the monsoons during May 1961 which ended rather late in the second week of November 1961. The total rainfall during this year was 7,977.12 mm. against 4,065.27 mm. during the last year.

32. The Linganamakki Dam is proposed to be brought to first stage level by May 1963. The work of construction had to be postponed during last October on account of

technical reasons. The Talakalale Dam balancing reservoir is in progress.

Excavation work of the water conductor system will be completed during the current year. The R.C.C. Duct which became necessary consequent on a change in the design of the power channel necessitated by the nature of soil met with is in progress.

Under tunnels, the boring of the Malali Tunnel was completed in the second plan period and that of the Vodenbyle Twin Pressure Tunnels is in progress.

33. Orders for most of the equipment required for the I stage of the Project on the Electrical side have been completed and design work on the II stage has been started.

INDUSTRIES

Large and Medium Industries

34. The scheme for the manufacture of slag cement and C.I. spun pipes in the Mysore Iron and Steel Works was completed during the second plan period. The ferrosilicon expansion and the steel expansion are the two schemes relating to these works included in the third plan. The former which increases its capacity from 5,000 tons to 20,000 tons per annum at an estimated cost of Rs. 130 lakhs was completed and the first furnace commissioned into operation in December 1961. The commissioning of the second furnace also is expected to follow soon. This scheme is calculated to save foreign exchange to the extent of 11 crores of rupees. The steel expansion scheme which is estimated to cost Rs. 700 lakhs is for expanding the present ingot capacity of 50,000 tons to 1,50,000 tons per annum. It is expected to be completed by the end of 1963. 2/7ths of its total cost is borne by the State Government.

35. Of the other schemes completed in second plan period or proposed to be taken up in the third plan either as State-owned or as State-aided industrial undertakings, the following are the important ones:—

- (1) Modernisation cum-expansion programmes in the Government Porcelain Factory, the Soap Factory and the Central Industrial Workshop, completed during the second plan period.
- (2) Expansion of the Government Electric Factory.
- (3) Expansion of the spindleage capacity of the Textile Industry by another 2½ lakhs, now on hand.
 - (4) Starting of a Fertiliser Project.
- (5) Starting of an Aluminium
- Project.
- (6) Establishment of two Rayon Grade Pulp Factories, one near Kalsur (North Kanara District) and the other near Nanjangud (Mysore District).
- (7) Establishment of Mandya National Paper Mills, in Belgula.
- (8) Establishment of three more paper pulp factories.
- (9) Establishment of Cellulose Acetate Flakes Project.
- 36. The programmes under (1) have been completed and the targeted capacity of 2,500 tons of high tension insulators in the Porcelain Factory and of 1,500 tons of Sandal Soap in the Government Soap Factory, are expected to be reached soon. The production in the Central Industrial Workshop is now expected to go up to Rs. 12 lakhs in value from Rs. 5.6 lakhs, in 1960-61.

In the case of item (2), the expansion costs a little over 4 crores of rupees and envisages the stepping up per annum of the manufacturing capacity of transformers to about 6 lakhs KVA, motors to about 4 lakhs H. P., and Switchgears to an aggregate value of Rs 40 lakhs.

Regarding (3) the existing spindleage capacity is about 5. 5 lakhs. The proposed expansion will be both by way of expansion of the existing mills and by the establishment of new mills in co-operative as well as private sector.

Since many of the existing and new industries were facing acute power shortage, the Government have lately taken a decision to subsidise entrepreneurs who instal diesel generating sets to over come the shortage.

For items (4) and (5) Government of India have issued industrial licenses.

The Fertiliser Factory will be located at Mangalore. This project envisages the production of 85,000 tons of ammonia, 82,500 tons of urea and 1,32,000 tons of ammonium phosphate, per annum.

The Aluminium Plant will be established in technical-cum financial collaboration with M/s. Reynolds of U.S.A. This project contemplates setting up of a 30,000 tons integrated smelter with supplementing alumina and fabricating facilities of about 18,000 tons. The project is proposed to be developed in two stages. Provision for future expansion of the project up to 90,000 tons has also been made.

The Rayon Grade Pulp Factories referred to at (6) will lead to the economic use of the bamboo wealth of North Kanara and Coorg-Mysore-Kollegal Zones. Licenses therefor have already been issued and they are likely to be set up very shortly.

The factory referred to at item (7) will shortly go into production.

The paper pulp factories referred to at item (8) will be based on sugarcane bagasse and are proposed to be located at Ugar-Khurd (Belgaum District); near Munirabad (Raichur District); and near Kampli (Bellary District). Industrial licenses have already been issued for their establishment.

As regards item (9), the Cellulose Acetate-flakes project, which is proposed to be located near Mandya has already received the approval of the Government of India. The Mysore Sugar Company which has taken up the implementation of this project, has been licensed to manufacture 3,300 tons of cellulose acetate flakes per annum based on alcohol produced at their factory and cotton linters.

VILLAGE AND SWALL INDUSTRIES Industrial Estates

37. During the second plan period, eight Industrial Estates with 177 Worksheds have been established in different parts of the State as planned.

Most of the selected small scale industries in these estates have already started producton. During the third plan period 30 more Industrial Estates are proposed to be added with a view to providing at least two estates for each District.

Handloom

38. With a view to giving financial and technical assistance to the handloom industry, a provision of Rs. lakhs had been made during the second plan period, out of which a sum of Rs. 180 lakhs was expended. the implementation of several handloom develoment schemes, about 95,000 handlooms have already been brought into the co-operative fold and as many as 586 Primary Weavers Co-operative Societies have been organised to channelise technical and financial aid Further with a to the weavers. view to stepping up sales of handloom fabrics a sum of Rs. 63 lakhs was spent on rebates. For supplying improved tools and equipment to the Weavers Co-operative Societies, a sum of Rs. 14 lakhs was also spent. A provision of Rs. 210 lakhs has been made in the third plan for further development of handloom industry in the State.

Power Looms

39. Government of India have sanctioned a sum of Rs. 62.55 lakhs for the implementation of powerloom scheme in the State. Under this scheme, 2,000 additional powerlooms will be installed in different parts of the State. Orders in respect of all these 2,000 powerlooms have already been placed. Out of them, 1,330 looms have been supplied and 950 already erected. 250 of the latter have been commissioned also.

COMMUNITY DEVELOPMENT

40. At the beginning of the second five year plan there were 56 blocks covering 6,283 villages with a population of 26.31 lakes over an area of 18,000 square miles.

At the close of the second plan period, there were 188 blocks covering 20,000 villages and 139 taluks over an area of 56,435 square miles.

The physical target for the third five year plan is 94 blocks covering 6,142 villages with a population of 35.60 lakhs at a cost of Rs. 15.35 crores.

The entire State comprising 172 taluks is expected to be covered by October 1963. During the current year, 2,412 more villages over an area of 7,341 square miles have been covered.

- 41. In 1961-62, i.e., in the first year of the third five-year plan period, 31 blocks were allotted for Pre-extension work, 24 Pre-extension blocks were converted into Stage I and 17 Stage I blocks into Stage II. Thus, the position as on 31st March 1962 would be 31 Pre-Extension, 128 Stage I and (0 Stage II blocks, covering an area of 63,776 square miles, 22,412 villages and a rural population of 128.61 lakhs. During the year 1962-63, 39 more blocks will be allotted for pre-extension work.
- 42. About 50 per cent of the staff of these blocks is now permanent. As the various development programmes will hereafter be executed through this agency, the question of making the block staff permanent is unser consideration.

LOCAL DEVELOPMENT WORKS PROGRAMME

43. This programme which is finance I by the Central and the State Governments supplemented by popular contributions progressed steadily during the second plan period, the total amount spent being of the order of Rs. 128 lakhs. The number of works under different categories was as under:—

Drinking Water Supply 2,073 works

Works for improving rural 1,596 sanitation

Village Roads including 1,318 bridges, and culverts.

Construction and improvement of School and Dispensary buildings.
Other Works ... 745

Total ... 6,309

44. During the current year the programme is restricted to drinking water wells only to ensure that all villages are provided with drinking water facilities as expeditiously as possible. The estimated expenditure this year is Rs. 15 lakhs and a provision of Rs. 25.00 lakhs is made for 1952-63.

RURAL HOUSING SCHEME

45. This scheme which is a Centrally sponsored one is under operation since 1958. It is now extended to 214 villages, the number of houses taken up for construction and completed being 4,350 and 832, respectively. The loan amount advanced by the Central Government so far is over 30 lakhs of rupees. 269 master plans have been prepared under the scheme.

The loan amount paid in the current year to end of December 1961 exceeds 8 lakhs against the provision of Rs. 15 lakhs. The target for the third plan period is 10,000 houses spread over 750 villages at a cost of 100 lakhs of rupees.

PILOT PROJECT. FOR UTILISATION OF MAN POWER

46. Under this Centrally sponsored scheme, two projects costing Rs. 2.25 lakhs each, are under operation, one in Yadgir Taluk of Gulbarga District and another in Pavagada Taluk of Tumkur District. The total expenditure to end of December 1961 was Rs. 1.51 lakhs. It is expected that 10 to 15 more projects would be allotted to this State in 1962-63.

DEVELOPMENT OF IRRIGATION UNDER MAJOR PROJECTS

47. The total area developed to end of the 2nd plan period was 1, 67 lakhs of acres, the expenditure being

Rs. 127. 30 lakhs. Of the total area, 1.27 lakhs acres were under Tungabhadra and the rest under Ghataprabha

A provision of Rs. 250.00 lakhs has been made for this purpose in the third plan, and the area programmed to be developed is 5.27 lakhs acres. The provision during the current year is 35 lakhs of which Rs. 33 lakhs is for Tungabhadra Project (left bank) and the balance for Ghataprabha.

A provision of Rs. 40.00 lakhs is proposed under this programme for 1962-63.

NATIONAL RURAL WATER SUPPLY AND SANITATION SCHEME

48. This is Centrally sponsored scheme, the expenditure on which is shared as follows: Centre 50 per cent, State 25 per cent and local contribution 25 per cent. Its benefit is confined to villages or groups of villages having a population not exceeding 5 000. 172 schemes costing Rs. 71.80 lakhs have so far been sanctioned by the Government of Inda and 49 of them are completed. The remaining schemes are under execution.

The expenditure on this scheme during the second plan period was Rs. 36.18 lakhs. A provision of Rs. 50 lakhs is made in the third plan for completing the incomplete works and for taking up new schemes. A provision of Rs. 12 lakhs is made for the current year.

HOUSING

49. Under the subsidised Industrial Housing Scheme, 2,000 houses were completed during the second plan period at a cost of Rs. 67.32 lakhs. The number of houses completed under the private Employer's Sector during the same period was 2,338.

Under the Low Income Group Housing Scheme, 3,537 houses and under the Middle Income Group Housing Scheme, 49 houses were completed during the period.

The number of houses completed under the above schemes during the current year will stand at 942.

SLUM CLEARANCE

50. Under the Mysore Slum Clearance (Improvement and Clearance) Act, 1958 which has been extended to 14 municipalities, a sum of Rs. 10.44 lakhs has been spent by the Municipalities so far from the loans and subsidies granted to them.

During the current year, a sum of Rs. 1.25 lakhs has been released for the purpose. According to the pattern of assistance during the second plan period, 50 per cent was given as loan and 25 per cent as subsidy by the Central Government and the balance of 25 per cent was given as subsidy by the State. From next year the Central Government will give $37\frac{1}{2}$ per cent as loan and $37\frac{1}{2}$ per cent as subsidy. The balance of 25 per cent will be financed by the State.

51. Under the Scheme of Land Acquisition and Development, sponsored by the Government of India since 1960, for developing cities and relieving congestion a sum of Rs. 2.2 lakhs has been spent to end of March 1961. The amount released during the current year on the same account is Rs. 3.7 lakhs.

WELFARE OF THE BACKWARD CLASSES

- The expenditure in the second plan period on schemes for the welfare of schedule castes was of the order of Rs. 219.15 lakhs. This amount was utilised for awarding 5,250 scholarships to students, constructing 39 hostel buildings, supplying equipment 34,700 children studying in Primary Schools, opening 129 hostels, establishing 19 tailoring centres, supplying plough bullocks and implements to 14,090 families, sinking 720 new wells, opening 320 community centres and subsidising the construction of houses and purchase of house sites 35,129 families.
- 53. The amount spent on the welfare of Scheduled Tribes during the period was Rs. 25.11 lakhs. The expenditure was incurred on the award of scholarships to 1,994 students, grant of subsidies to 2,258 families for

economic uplift, provision of plough bullocks and agricultural implements to 1,579 families, establishment of 4 Forest Co-operative Societies, sinking 34 drinking water wells, and constructing 2,379 houses. 11 community centre buildings, 17 road works and 3 mobile health units have also been started.

- 54. For the welfare of the Denotified Tribes, a sum of Rs. 14.24 lakhs was spent. The assistance was in the from of providing equipments to 4,755 students, payment of grant-in-aid to 11 hostels, supply of 1,972 pairs of bullocks to those owning agricultural lands, aid to improve crafts to 560 members, subsidies for construction of houses to 1,535 families, sinking 48 new wells, repairing 27 old wells and forming 36 approach roads to their colonies.
- 55. The welfare of other backward classes including Nomadic and Semi Nomadic Tribes also received its due share of attention.
- 56. In the third plan a provision of Rs. 440 lakhs is made for all these schemes against which an expenditure of Rs. 65 lakhs is expected to be incurred during the current year.

SOCIAL WELFARE

57. During the second plan period, 3 Certified Schools, 3 Remand Homes, 4 State Homes and 8 District units were established newly at a cost of Rs. 11.30 lakhs. The provision in the third plan under this head is Rs. 39.67 lakhs.

PRIMARY AND SECONDARY EDUCATION

58. Under the second plan, 3,661 Primary Schools and 1,536 Middle Schools were opened. The number of High Schools newly added was 421 including 61 Multi-purpose and 69 Higher Secondary Schools. 13 training institutes were also opened during the period.

The third plan has for its target, among others, the appointment of 16,800 Primary School teachers and

opening of 210 Government as well as aided High Schools. A reasonable proportion of these has already been achieved during the current financial year.

UNIVERSITY EDUCATION

59. The Mysore University has started post-graduate courses in 16 subjects, while Karnataka University has started 12 such courses.

The Collegiate Education came substantially under Government control in June 1960 with the transfer of 13 colleges from the Mysore University. Starting of Master Degree course in Engineering and Law is among the important achievements under the second plan. It is proposed to develop facilities for post-graduate teaching and research in science subjects in some of these colleges in the third plan.

60. From the Maharani's college for Women at Bangalore, the Home Science wing has been separated and formed into a separate college. Master's degree in Home Science has also been introduced from this year. In pursuance of the accepted policy of Government, the Intermediate College at Davangere will be handed over to private management in 1962-63.

TECHNICAL EDUCATION

61. During the quinquennium covered by the second plan, 4 Engineering colleges and 12 Polytechnics were newly opened, increasing the total number of such institutions

to 10 and 26, respectively.

A Women's Polytechnic in Bangalore with an intake capacity of 80 has been started during this year. With these additions, the admission potential which was 430 for degree courses, and 1,464 for diploma courses at the beginning of the second plan has risen to 1,320 and 3,400, respectively, during the current year.

LITERARY AND CULTURAL DEVELOPMENT

62. As a result of the special efforts made under the second plan, 15 publications including Jaimini Bharata,

Kumara Vyasa Bharata and Sarvagna Vachanagalu were released to the public. Three more, viz., Bharathiya Samskriti Dharshana, Bhaskaracharyara Leelavati and the History of Freedom Movement in Karnataka-Volume-I have been released during the current year. The Schemes relating to the compilation of Kannada Encyclopedia, Kannada-Kannada Dictionary, Gazetteers, Museums, and Archæology are now in progress. Included in the programm: of cultural development, are the publication of 'Karnataka through Ages', award of prizes for the best books in Kannada, and distribution of grants for the Mysore State Sangeeth Natak Academy. The Sahithya and Lalitha Kala Academies have been constituted at the State level.

MEDICAL

63. This Department has achieved all round development during the second five year plan and in the first year of the third plan. Beds in major hospitals have increased by 1,175 and equipment by nearly 20 lakhs of rupees. 77 allopathic dispensaries, 25 dispensaries of Indian Medicine and a Dental College have been newly opened. The Medical Colleges at Mysore and Bangalore have been taken over under Government control and a new college started at Hubli. A graduate course in the college of Indian Medicine, Bangalore, a condensed M. B. B S. course and a T. D. D. course in the Mysore Medical College, have also been introduced.

The B. C. G. vaccination campaign has been intensified and a Board of Research in Ayurveda constituted. During the current year, a Medical College at Bellary and two Medical Schools at Shimoga and Bijapur have newly started functioning.

The estimated expenditure in the third plan is of the order of 4.33 crores which includes provision for a new Mental Hospital, a Hospital for chronic cases and addition of 2,700 beds in

Hospitals.

PUBLIC HEALTH

64. As a first phase of the determined drive for the total eradication of the

dreaded disease of small pox, compulsory vaccination has been taken up by the Public Health Department. The Malaria Eradication Programme is in its final phase.

There are now 149 Health Centres of the pattern set-up by the Government of India, and 187 smaller units of the old Mysore pattern, in Community

Development Blocks, etc.

Twelve District Laboratories have been established for the examination of pathological specimens and to help enforcement of the provisions of prevention of Food Adulteration Act.

There are 75 Family Panning Centres including 58 in rural areas. In order to carry the benefits of this scheme to the remote rural areas, four Regional Mobile Vasectomy units at one for each division have been sanctioned.

The third pan envisages the opening of 119 more Health centres of the Government of India pattern in the remaining Community Development Blocks. It is also proposed to establish 50 Health Unit Type Dispensaries to cover 15,000 population blocks. number of Family Planning Centres programmed to be started is 69 including 60 in rural areas. The department has also a programme to train 275 health visitors, 680 Auxiliary Nurse Midwives, 200 dais, 375 Health Inspectors and 60 Laboratory Technicians and for the establishment of 6 more District Laboratories during the third plan period.

WATER SUPPLY AND DRAINAGE

65. During the second plan period, protected water supply was extended to 22 towns in addition to improving the water supply arrangements in 44 other places. Underground drainage facilities were extended to two towns.

During the third plan, water supply and underground drainage schemes are proposed to be provided for 26 and 10 more towns, respectively, thereby raising the number of towns having such benefits to 117 and 14, respectively.

CO-OPERATION AND MARKETING

66. Prior to the Second Five Year Plan the number of Regulated Markets

was 48 and of sub-markets 45. The numbers rose to 74 and 67 respectively at the end of the second plan period.

During the second plan period, financial assistance in the form of loans to the Regulated Market Committees was of the order of 20 lakhs including a loan of Rs. 2 lakhs granted to merchants for construction of their shops and godowns in the market-yards. During the current year, the assistance is expected to come to Rs. 4.75 lakhs and Rs. 2.00 lakhs, respectively.

WEIGHTS AND MEASURES

67. Under the Weights and Measures Act, 122 manufacturers, 463 dealers and 75 repairers of metric weights, measures and weighing instruments, have been granted licenses. Up to the end of December 1961 3.93 lakh units of Metric weights and 3.29 lakh of Non-metric weights have been stamped and supplied to the me chants all over the State and a total fee of Rs. 2.5 lakhs realised. The Department has made all preliminary arrangements for the strict and compulsory enforcement of the Metric system of Weights throughout the State with effect from 1st April 1962.

WAREHOUSING

68. The State Warehousing Corporation, Bangalore, which was constituted in 1957, has set up six more warehouses and five sub-warehouses at important assembling centres during the year 1961-62, thus bringing the total number of State Warehouses to 23 and sub-warehouses to 5. In addition the Central Warehousing Corporation has set up four Central Warehouses in the State.

According to the third plan target 24 more warehouses have to be opened by the State Corporation during the next four years.

MYSORE PORTS

60. The State has a sea-coast of 155 miles length studded with 20 ports, 15 of which are in North Kanara District

and 5 in South Kanara District. With a view to develop the ports, schemes costing Rs. 18.00 lakhs were taken up in the second plan. Those schemes relate to providing essential office accommodation, housing facilities for port staff, certain minor improvement of wharves and purchase of dredging equipment.

The ports excluding Mangalore Port handled 4 19 lakhs tons of cargo in 1960-61 which is 230 per cent over the traffic in 1956-57. During the same year the Mangalore Port handled a traffic of 4.03 lakhs of tons, an increase of 50 per cent over the traffic of 1956-57.

The Government of India have since accepted the recommendation of the Intermediate Port Development Committee for the development of Mangalore Port into an all-weather major port for 34 ft. draft ships with three alongside berths, two for general cargo and one for ore fully mechanised, capable of handling 6 lakhs tons of general cargo and 20 lakh tons of iron ore per annum at an estimated cost of 12.7 crores.

During the Third Five-Year Plan, it is proposed to undertaken normal devel pment works costing 27.8 lakhs under the Central sector and complete their execution within the first two years of the plan period so as to commence work on the main project of constructing deep sea harbour as recommended by the Intermediate Port Development Committee.

The Government of India, Ministry of Transport and Communication, are understood to have sanctioned an Engineering Division to work out the preliminaries of the project.

70 So far as Mysore Ports Department is concerned, the Third Five-Year Plan programme of the State provides an allotment of Rs. 215 lakhs under State Sector and Rs. 37.5 lakhs under the Central Sector. It is the policy of the State Government to develop Karwar into an efficient fair weather Intermediate Port with an alongside berth for 30-32 feet steamers at an estimated cost of Rs. 183.00 lakhs and Honavar and Coondapur Ports as important minor ports at an

estimated cost of Rs. 14.97 lakhs and Rs. 15.44 lakhs, respectively. Improvements to the port facilities are also proposed to be taken up at Malpe, Bhatkal, Kumta, Tadri and Belekeri Ports during the third plan. It is anticipated that by the end of the Third Five-Year Plan the Ports in the State excluding Mangalore Port will be called upon to handle 18,00,000 tons of cargo per annum.

In the current year an allotment of Rs. 30.00 lakhs was made for the development of Ports, and Schemes costing about Rs. 37.00 lakhs have already been taken up against this provision. A provision of 34.00 lakhs is made for the year 1952-63.

71. It is intended to co-ordinate all forms of transport, i.e., river, road and railway and if river transport is found to be better suited to meet the needs of a particular area its development in preference to other modes of transport will be considered. Accordingly in pursuance of the recommendation of the Inland Water Transport Committee constituted by the Government of India, the State Government have proposed to construct the Inland Water Transport between Mangalore and Coondapur at an estimated cost of Rs. 70 lakhs. The traffic survey to assess the traffic potentialities of the proposed Inland Transport Canal has been conducted by the National Council of Applied Economic Research, New Delhi. According to the preliminary report there is economic justification for the construction of the proposed Canal. The work of conducting detailed Engineering Survey in this regard has been entrusted to the Mysore Ports Department and work is in progress. As a long term measure, it is the intention of the Government to extend the Inland Water Transport Canal of the Mysore State to the South to link with the West Coast Canal System of Kerala The proposed Inland Water Transport Canal of the State completion will be an all-whether means of transport and will provide ample scope for development of industry on both the banks.

The question of devising measures to operate the ferries which also transport men and materials across water ways efficiently, so as to guard against loss of life and property, is under active consideration.

LABOUR AND LABOUR WELFARE

72. Among the schemes for promoting the welfare of labour, Scheme, Craftsmen Training the Employment Exchanges and State Insurance Scheme Employees stand foremost. Sixty per cent of the total expenditure on the first two is borne by the Government of India while the Employees' State Insurance Corporation bears seven-eighths of the expenditure on the third. missioner of Labour is in the overall control of these schemes and has to enforce the provisions of as many as 19 Central Acts, in addition to local acts applicable to specified areas. The Motor Transport Workers Act which came into force from 1st February 1962, the Shops and Commercial Establishments Bill passed by the Legislature during the last session and the Beedi Industrial Premises (Regulation Conditions of Work) Bill, 1959 which is before Government are among the measures falling under the category.

There are at present 13 Labour Welfare Centres in the State and the propaganda unit started to guide the workers through audio-visual publicity during the second plan period arranged film shows in 49 factories. 12 Employment Exchanges were started during the second plan period bringing their total to 19. Now there is one Employment Exchange for each District.

The seating capacity under Craftsmen Training Scheme stands at 1,664 including 960 additional seats implemented during the second five year plan.

EMPLOYEES STATE INSURANCE SCHEME

This scheme which provides five kinds of benefits, viz., sickness, maternity, dependents, disability and

medical to the insured personnel and which is already functioning Bangalore has been extended to Hubli, Dandeli, Mangalore and Mysore.

MUNICIPAL ADMINISTRATION

74. The following are the schemes of the Municipalities subsidised by the State or the Central Government:

(i) Construction of modern sanitary conveniences such as urinals, latrines, cess pools, sceptic tanks, dustbins, etc., in public places.

(ii) Minor Town Development works like asphalting or tarring of roads, construction of drains.

(iii) Town Planning and Town Development Schemes under master

The first two schemes are being taken advantage of by the Mnnicipalities. Now that the uniform bill for Town Planning has been passed in the last sessions of the Legislature a good progress in the direction of planning of the urban and rural areas is expected. So far as Bangalore is concerned Government have already constituted a High Power Body called Metropolitan Planning Board Bangalore under the Chairmanship of Shri N. Madhava Rau, Ex-Dewan of Mysore.

SCHEMES OF THE BANGALORE CORPORATION

The schemes of improvement of water supply and underground drainage of the city have made good progress.

For sewage disposal which was long overdue, a scheme for Rs. 25 lakhs has been sanctioned as a part of the comprehensive scheme of Rs. 138 lakhs, The Corporation has, on its programme. the improvement of roads at a cost of lakhs, establishment Maternity Houses and Child Welfare Centres in all the Divisions, institution of measures to check mosquito nuisance, improvement of unauthorised layouts in Corporation limits and adjoining areas, and purchase of multi-storeyed buildings and certain sites from the City Improvement Trust Board at a cost of Rs. 6.27 lakhs to rehabilitate slum

dwellers. These measures are being implemented with due regard to the resources which may become available from time to time.

CITY IMPROVEMENT TRUST BOARDS

76. During the last five years, the Mysore Trust Board constructed 768 houses including 480 under the subsidis d Industrial Housing Scheme and allotted 1,342 sites. The Bangalore Trust Board constructed 485 model houses to Class III and Class IV employees. It has launched another scheme to construct 700 houses for Class III employees at a total cost of Rs. 53 lakhs.

The Bangalore Trust Board has a scheme to create satellite towns, one at Kengeri and another at Yelahanka.

MOTOR VEHICLES DEPARTMENT

77. The Mysore State Transport Appellate Tribunal constituted last year for the disposal of appeals and revisions, continues to function. This arrangement has contributed materially towards the expeditious disposal of appeals and revisions which have come down from 432 and 117 on 1st January 1961 to 158 and 38, respectively on 1st January 1962.

STATE INSURANCE

78. The Government Insurance Department is in charge of two schemes, the Life Insurance Scheme and the Motor Insurance Scheme. The former relates only to the State Government servants who are required, as part of their service conditions, to insure their lives in that scheme. The Motor Insurance Scheme is being run purely on a competitive basis.

In 1960-61 new life policies issued amounted to 12,309 for an assurance of Rs. 245.59 lakhs, the month y premium being of the order of .87 lakh. In the first nine months of the current year 5,487 policies have been issued for an assurance of Rs. 137.13 lakhs, the monthly premia being .48 lakh.

Under Motor Insurance Scheme, 5,870 vehicles were insured in 1960-61 for a premium income of Rs. 6. 6 lakhs. During the current year the number of vehicles covered in the first eight months alone comes to 4,697, involving a premium income of Rs. 4.56 lakhs. The Motor Insurance Scheme is increasing in popularity.

MYSORE STATE TRANSPORT CORPORATION

79. This Corporation was constituted with effect from 1st August 1961. It took over the management of the nationalised transport in the State from that date and the Bangalore City Transport unit from 1st October 1961.

The operations in the year 1960-61 resulted in a net surplus of Rs. 55 lakhs.

The Hassan pocket comprising 98 routes and covering a length of 5,372 miles, was added on to the nationalised transport from 26th October 1961. The Mysore pocket of almost similar magnitude was taken over from this month

It is programmed to take over routes in two more districts in 1962-63.

DEPARTMENT OF PRINTING, STATIONERY AND PUBLICATIONS

80. The expansion schemes undertaken to cope with the increased work devolving on the Department comprise the improvement of the Presses at Bangalore and Mysore by providing additional accommodation and modern equipment, starting of Branch Presses at Dharwar and Gulbarga and the establishment of a Text Book Press at Bangalore. All these schemes except the last two have made considerable progress. In the last two cases, the building is expected to be taken up during next year.

Owing to the increase in the work of the Department, more than three-fold since 1956-57, and absence of adequate equipment, the procurement of which is conditioned by foreign exchange and other difficulties, the department is depending on private presses to an increasing extent.

Six Kannada Typewriters have been purchased and are in use. Action has been taken to get 94 more manufactured from the firm concerned.

FOOD DEPARTMENT

81. Notwithstanding the decision of the State Government not to procure paddy/rice within the State this year, arrangements were made to release rice through fair price depots under the 'Price Stabilisation Scheme, by getting supplies from the Government of India. A total quantity of 9,000 tons of rice was released to end of December 1961 in areas affected by heavy rains and floods.

The Fair Price Shops, of which there are 1,350 now in the State, are contributing materially to the stabilisation of prices of essential food grains in the open market by releasing rice and wheat at fair prices.

The State is continuing to get its monthly quota of 1,000 tons of imported wheat from the Government of India.

LAND REFORMS—AEOLITION OF INTERMEDIARIES

82. All types of Inams in Belgaum and Gulbarga Divisions, except religious and charitable inams and service inams useful to Government, have been abolished under the various Inam Abolition Acts, resulting in the vesting of 2,093 Inam Villages in Government. Action has been taken to introduce necessary legislation to abolish the remaining inams in all parts of the State.

For the inams so far abolished, compensation already awarded is of the order of Rs. 2.04 crores and another sum of Rs. 4 crores is still to be paid. As against this, realisations to the extent of Rs. 93.38 lakhs are expected from the levy of occupancy price and Nazarana in Belgaum Division and premium and assessment in the ex-Mysore area and Gulbarga Division.

RECLASSIFICATION OF LANDS FOR THE PURPOSE OF RECORD OF RIGHTS, ETC.

83. In connection with the up-to-date maintenance of survey and classifi-

cation records and the Record of Rights, reclassification of lands by the Survey and Settlement Department is completed in 41 out of 67 taluks in which the reclassification was taken up and the work done so far fetches an increase in land revenue to the extent of about Rs. 7.81 lakhs.

LAND DEVELOPMENT— CADESTRAL SURVEY OF INAM VILLAGES

84. Survey and settlement has been completed in 1,197 out of 2,103 unsurveyed inam villages in the old Mysore area. In another 381 villages surveying is over. The remaining work is expected to be completed by the end of 1965-66.

CONSOLIDATION OF HOLDINGS

85. This scheme is in operation in Belgaum Division and was recently extended to Gulbarga Taluk. It is now enforced in 551 villages and it is in progress in another 136 villages. 2.02 lakhs of acres are programmed to be consolidated during 1962-63.

POLICE

86. The Law and Order position in 1961 was satisfactory. So far as the position of crimes is concerned, there was an increase of about 4 per cent in the cases compared to 1960, which can easily be attributed to the increase in population, adverse seasonal conditions and floods.

Prohibition crimes registered an increase of about 14 per cent during 1961, compared to 1960. This was due to intensified vigilance and extension of prohibition to new areas during the year. The State Police took their due share in the last Goa operations. Arrangements made to maintain Law and Order during the recent general elections were satisfactory.

With a view to have adequate Armed Reserve Police for the reorganised State, Government have sanctioned the conversion of the existing

strength of 5 companies to one and half standard battalion. The cost of expansion will be spread over a period of 3 years from 1951-62.

The reorganisation of the Bangalore City Police on the lines of the arrangement obtaining in the cities of Bombay and Madras and the establishment of a Forensic Science Laboratory, are under consideration.

The Mysore Police Bill for introducing uniformity in the Police Law for the whole State is before the Legislature and an Act for unifying prohibition law which is already passed by the Legislature, is awaiting the assent of the President.

A programme to provide housing to the subordinate police officers has been taken up and a sum of Rs. 50 lakhs has already been spent. If is proposed to start some schemes calculated to augment the income of the low paid police personnel.

PRISONS DEPARTMENT

87. The department continues to pay special attention to measures for reforming the prisoners to enable them

to rehabilitate themselves in normal life after discharge from prison. 500 acres of land at Heggadadevanakote in Mysore District have been acquired to start agricultural farms to rehabilitate the discharged prisoners. An agricultural farm has been attached to the Shimoga Jail to train juvenile offenders with rural bias.

The wage earning scheme introduced in Jails has been a source of great holp to the prisoners to eke out their livelihood after their release.

To train the prison staff in criminology and modern methods and technique of treatment of prisoners, six officers are undergoing training in the National Institute of Social Sciences, Bangalore. Two others have already been trained in the Tata Institute of Social Sciences, Bombay.

Mr. SPEAKER— The House will now stand adjourned and re-assemble at 1 P.M. tomorrow.

The House adjourned at Forty-Five Minutes past Twelve of the Clock to meet again at One of the Clock on Friday, the 25rd Mrach 1962.